4. *Interest on instalments up to the date from which equated payments come into force.*—The equated payment due should not be fixed when the first instalment of a loan is sanctioned or drawn, and it should be fixed only after the second instalment is actually drawn. The authority sanctioning a loan should review the position when the second instalment is drawn and calculate the simple interest due on the instalment or instalments up to one year previous to the date fixed for commencement of repayment, and arrange for recovering it along with the first equated payment.

5. *Issue of cheques and dates from which period of loans should be calculated.*—The dates from which loans should be taken to commence are those on which the relevant cheques are cashed and not those of issue of cheques.

Except in the case of loans sanctioned by Government or by the Revenue Commissioner, the authorities sanctioning loans should themselves issue cheques for amounts sanctioned. But all cheques, by whomsoever issued, should be drawn on the respective Taluk Treasuries only, so that the record of disbursement of loans of each taluk may be complete in that taluk.

The system of sending to Treasuries separate advices for cheques drawn on them is unnecessary and may be discontinued.

6. *Use of special challans for credit of instalments.*—The use of the special challan form prescribed in Government Order No. R. 1245-55—Agri. 2-10-2, dated the 25th August 1910, should be strictly insisted upon. The production of the Loan Order Form along with every instalment should be required and every item of transaction in connection with a loan should be noted in it under the initials of the Amildar as provided for in the form. The particular class of loans under which the recovery should be taken should be prominently noted at the top of the challan form.

7. *Penal interest.*—Although it is the general principle of Government loans that the demand on account of penal interest should first be satisfied, yet in the case of these loans where the discharge of principal with ordinary interest is by means of equated payments, it is best to keep the penal interest distinct and recover it separately and not adjust it from any instalment of equated payments.

8. *Remission of loans.*—The Comptroller complains that the authorities competent to sanction remissions do not report to him the orders passed by them and states that this is another cause of divergence between his figures and those of District and Taluk Offices. The authorities competent to sanction remission of loans should invariably send to the Comptroller copies of their orders allowing remissions.

9. *Watch over outstandings.*—It is reported that the watch over the outstandings of these loans is not prompt and efficient. The primary responsibility for attending to this work lies on the Amildar. Sub-Division Officers and Deputy Commissioners should invariably examine Loan Ledgers when they inspect Taluk Offices.

An annual return for each class of loan showing the Demand, Collection and Balance for each taluk should be submitted in the first week of September by Deputy Commissioners to the Revenue Commissioner after getting it verified by the Comptroller. The Revenue Commissioner should review these returns and submit to Government in the first week of October a consolidated statement showing the Demand, Collection and Balance of each district together with a copy of the orders issued by him to Deputy Commissioners.

10. *Staff for reducing the work to order.*—The accounts of these loans are stated to be in a bad condition in Taluk and District Offices and for overhauling them and for securing agreement between the books of the different offices, Government are pleased to sanction two hands temporarily for a period of three months (one Accountant and one Accounts Clerk) who should be deputed by the Comptroller to the District, the accounts of which require in his opinion to be overhauled first.

A report should be submitted to Government regarding the work done by the two hands in the three months for which their employment is sanctioned.

M. N. KRISHNA RAO,
Financial Secretary to Government.

PUBLIC WORKS SECRETARIAT.

Administration Report of the Electrical Department.

READ—

Letter No. 10758, dated the 25th October 1925, from the Chief Electrical Engineer submitting the Administration Report of the Electrical Department for the year 1924-25 after verification of the figured statements in the Financial branch of his office.

ORDER NO. E. D. S. 2548-55, DATED 21ST JANUARY 1926.

Recorded.

2. The Budget estimate for 1924-25, provided for a gross expenditure of Rs. 31,83,800 under Capital, Depreciation Fund and working charges of the Department. The Revenue estimate for the year was Rs. 46,75,000.

3. *Revenue Receipts.*—Including the arrears of Rs. 3,47,488 at the end of the previous year, the demand for the year under report was Rs. 48,33,445 as against Rs. 48,28,681 in 1923-24. The recoveries amounted to Rs. 45,08,767 against Rs. 44,83,113 in the previous year.

The revenue during the year would have been higher but for the losses under the following heads:—

(1) Rate of exchange.

(2) Loss on account of stoppage of works during the extraordinary floods of 1924.

(3) Reduction of the cost of power by 12½ per cent in the case of small industrial concerns.

(4) Reduction of rate for power supplied for lighting purposes for Religious and Charitable Institutions from 4 to 3 annas.

The arrears outstanding at the end of the year amounted to Rs. 3,24,678 as against Rs. 3,45, 568, the corresponding figure of the previous year.

4. *Capital Outlay.*—The Capital grant for the year was Rs. 10,44,000 against which an outlay of Rs. 6,84,772 was incurred exclusive of a sum of Rs. 3,32,670 charged to Depreciation Fund Accounts. The grand total outlay on all works up to the end of the year is Rs. 1,82,43,507.

The following are the works under this class during the year:—

(1) Both the 1st and 2nd stages of the VI Installation were practically completed and all the six units of the VI Installation were put into service.

(2) Reconstruction of the Bangalore Transmission Line to transmit 10,000 H. P. to Bangalore and constructing a step-down and Switching Station at Kankanhalli. The building works at Kankanhalli have almost been completed, and the machinery required to be installed at the place is being received. The reconstruction of the Bangalore Transmission Line as far as Kankanhalli was completed and put into service in May 1925. Service through the new lines completed has resulted in a savings of 900 H. P. in line losses and reduction in the number of interruptions also.

(3) The preliminary works of the VII Installation have been started and the construction of a reservoir to arrest silt in the supply channels and Jewell Filters were also in progress.

Revenue Expenditure.—The charges under Operation and Maintenance amounted to Rs. 8,19,957 against Rs. 8,20,852 in the previous year, which works out to 17½ per cent of gross receipts against 17·90 per cent in the previous year.

5. *Depreciation Fund Account.*—The amount credited to Depreciation Fund Account was Rs. 6,47,853 against the budget provision of Rs. 6,93,000. The total amount at the credit of this account up to end of 1924-25, was Rs. 77,98,356 and the total charges debited thereto were Rs. 29,14,663, the balance available being Rs. 48,83,693.

6. *Contribution Works.*—Works aggregating to Rs. 78,540 were carried out by the Electrical Department for other Government Departments, Municipalities and private parties.

GENERAL.

7. *Power Generated.*—The total quantity of power generated at Sivasamudram during the year was 166,244,452 units as against 158,054,354 units during the previous year.

There were in service at the close of the year 5,237 street lights, 8,286 lighting installations and 271 power installations against 5,076 street lights, 7,599 lighting installations and 252 power installations in the previous year and thus considerable increase has occurred in the number of consumers and in the consumption of power during the year. The total H. P. supplied to the Mining Companies, other industrial

concerns, street and bungalow lighting was 16,000, 5,390, 400 and 2,600, respectively.

8. *Rebate.*—The value of rebate allowed to the Mining Companies on account of relinquishment of power was Rs. 3,75,960 as against Rs. 3,80,490 at the close of 1923-24 showing a reduction of Rs. 4,530. It is reported that out of the figure of Rs. 3,75,960 the value of rebate to the extent of Rs. 3,58,065 was due to break-down of the plant of the Mining Companies and other causes. The slight increase on account of rebate granted under clause 15 of the Mining Companies Agreement is stated to be due to the complete shut-down of the plant at Sivasamudram for a period of 48 hours during the abnormal floods of 1924.

9. *Stores.*—The value of the foreign stores purchased during the year was Rs. 6,33,359 and that of local stores Rs. 1,74,885.

While reviewing the report for the year 1922-23, Government had ordered that a comparison should be made of stock intended for maintenance and operation with average consumption. The Chief Electrical Engineer reports that this comparison cannot be made at present as the stores indented and purchased for all capital works as well as operation and maintenance are kept together and drawn on indents for all works, as and when required. As the Government have however ordered the separation of capital stock and maintenance stock, the Chief Electrical Engineer states that although such a separation is very difficult and almost impossible, attempts are being made to give effect to the orders of Government in this direction and when that is done, it will be possible to make the required comparison in the yearly Administration Reports. The Chief Electrical Engineer's further report on the subject is awaited.

10. *Interruptions.*—There were 216 interruptions to service as against 349 in the previous year. It is expected that number and duration of interruptions will be gradually reduced in the future as soon as the reconstruction of the Bangalore Transmission line is completed.

11. *Inspection of Accounts and Sections.*—During the year under review, the Chief Electrical Engineer inspected the stores and accounts of all the sections as also the works of the Department.

The Assistant Chief Electrical Engineer is reported to have inspected the several sections of the Department six times and the Accounts Assistant four times in connection with the internal audit of the accounts.

12. The net revenue for the year is shown as 12·98 on the capital outlay of Rs. 1,82,403,507. The expenditure on the reservoir is not considered in this calculation. The combined capital outlay on the Cauvery Power Scheme and the Krishnarajasagara Schemes to end of 1924-25 is Rs. 4,13,72,417. Deducting the working expenses, etc., of the Cauvery Power Scheme the net revenue is Rs. 32,30,030, the working expenses on Krishnarajasagara Works during 1924-25 being Rs. 93,109 and the net revenue from irrigation Rs. 1,00,000. The net revenue realised during the year under review on the combined scheme is therefore about Rs. 32,36,921 which works out to 7·82 per cent on the capital outlay. The figure taken for the revenue from irrigation is approximate.

13. A sum of Rs. 1,88,963 has been taken by the Chief Electrical Engineer as interest on the balance at the credit of the Depreciation Fund. Last year, the Chief Electrical Engineer was requested to obtain specific orders of Government for taking credit of the amount in the *pro-forma* revenue accounts and proposals in this connection should be expedited for orders.

14. With a view to meet the growing demands for power in the State, Government in their Order No. E. D. S. 250-255, dated the 21st July 1925, sanctioned the VII Installation Project for the development at the Sivasamudram Generating Station and the subsidiary works to transmit and distribute an additional 14,000 H. P. on the Kolar Gold Fields and at Bangalore at a total approximate cost of Rs. 45½ lakhs. The preliminary works at Sivasamudram were started during the year.

15. The administration of the Department continued to be satisfactory during the year.

K. R. SESHACHAR,
Secretary to Government,
Electrical Department.